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Supreme Court, U.S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1990

WALLACE INTERNATIONAL SILVERSMITHS, INC.,

Petitioner,

—against—

GODINGER SILVER ART CO., INC.,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

Marcella A. Stapor
*Jay H. Begler
Andrew V. Galway
LIDDY SULLIVAN GALWAY BEGLER & PEROFF, P.C.
41 Madison Avenue
New York, New York 10010
(212) 481-3000

Attorneys for Petitioner

**(Counsel of Record)*

QUESTIONS PRESENTED

(1) Did the Court of Appeals err in ruling that the defense of functionality, as defined by *Inwood Laboratories Inc. v. Ives Laboratories*, 456 U.S. 844 (1982) applied to non-utilitarian, purely ornamental, designs?

(2) Did the Court of Appeals err in ruling that a distinctive and otherwise protectable trade dress was only entitled to protection against an "identical" or "virtually identical" trade dress and not to protection against all confusingly similar trade dresses?

PARTIES TO THE PROCEEDING

All parties to this proceeding are identified in the caption.

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IN THE

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OCTOBER TERM, 1990

No. 90-_____

WALLACE INTERNATIONAL SILVERSMITHS, INC.,

Petitioner,

—against—

GODINGER SILVER ART CO., INC.,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

Petitioner Wallace International Silversmiths, Inc., ("Petitioner") respectfully prays that a Writ of Certiorari issue to review the judgment of the United States Court of Appeals for the Second Circuit, entered in this proceeding on December 5, 1990.

OPINIONS BELOW

The opinion of the Court of Appeals for the Second Circuit (1a[1]) is reported at 916 F.2d 76 (2d Cir. 1990). The Opinion and Order of the District Court for the Southern District of New York finding Petitioner's trade dress unprotectable because it was functional is reported at 735 F. Supp. 141 (S.D.N.Y. 1990).

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1 References to the Appendix hereto are cited (_____a).

JURISDICTION

The judgment of the Court of Appeals for the Second Circuit was entered on October 17, 1990. The order of the Court of Appeals denying Petitioner's Petition for Rehearing was entered on December 5, 1990. The jurisdiction of this Court is invoked pursuant to 28 U.S.C. § 1254 (1).

STATUTE INVOLVED

This case involves Sections 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). False designations of origin and false descriptions forbidden.

(a) Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or in the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

STATEMENT OF THE CASE

Overview

The precedents set in this case have extremely far reaching, adverse implications for designers, craftsmen and those companies that sell uniquely designed products. The issues of the case relate to the scope of trade dress protection afforded to innovative designs (these designs are sometimes referred to

herein as the products' "trade dresses") under Section 43(a) of the Lanham Act (15 U.S.C. § 1125(a)) and the appropriateness of applying the defense of functionality to distinctive and purely ornamental (non-utilitarian) designs.

The defense of functionality has had a wide variety of treatments in the federal system. At one end of the spectrum, there is the Supreme Court view, as articulated in *Inwood Laboratories Inc. v. Ives Laboratories*, 456 U.S. 844 (1982), that the defense of functionality can only be applied to utilitarian aspect designs. At the other end of the spectrum is the Court of Appeals' decision under which a purely ornamental design will *automatically* be functional when two conditions exist: (1) the design has commonly used design elements and (2) the proprietor of the design seeks to enjoin any designs (including a confusingly similar design) that are not *identical* or *virtually identical* to its asserted design.[2]

Until the Court of Appeals decision, there had been uniformity amongst the circuits on the standard to be applied to measure trade dress infringement, namely whether the designs in conflict were likely to be confused[3]. The Second Circuit has now departed from that standard and the uniformity of approach to trade dress infringement no longer exists. Within

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2 There are at least three varying standards:

(a) The "important ingredient" test, where the central inquiry is whether the aesthetic appeal of a product's trade dress contributed to the sale of the product. *E.g.*, *Pagliero v. Wallace China Co.*, 198 F.2d 339 (9th Cir. 1952). This represents a broad view aesthetic functionality. *Sicilia Di Biebow & Co. v. Cox*, 732, F.2d 417, 427 (5th Cir. 1984).

(b) A test in which ". . . the inquiry . . . [focuses] on the extent to which the design feature is related to the utilitarian function or feature." *Keene Corp. v. Paraflex Industries, Inc.*, 653 F.2d 822, 825 (3d Cir. 1981). This represents a narrow view of aesthetic functionality. *Id.*, and

(c) The "utilitarian test" which focuses on the hindrance to competition. *E.g.*, *Morton-Norwich Products, Inc.*, 671 F.2d 1332 (C.C.P.A. 1982).

3 Referred to herein as the "confusingly similar test." *See, e.g.*, *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71 (2d Cir. 1985).

the Second Circuit, unique designs comprised of commonly used design elements will be protected only against "identical" or "virtually identical" designs.

By granting certiorari, this Court would have the opportunity to establish whether or not the defense of functionality can truly be applied to totally non-utilitarian designs and to set a *single* standard for measuring infringement for trade dress infringement cases.

The District Court's Decision

The trade dress in this case is for a silverware pattern called GRANDE BAROQUE. (3a) GRANDE BAROQUE has been marketed and promoted in this country for the past fifty years. (3a) Total sales of the product has exceeded fifty million dollars. (3a) The GRANDE BAROQUE product has been asserted to be one of the best selling patterns in the world. (16a)

As the name "baroque" suggests, the GRANDE BAROQUE silverware pattern is ornate, massive and flowery; it has indented flowery roots, scrolls and curls and contains various flower arrangements. (16a) Many other companies sell "baroque" styled silverware employing the design elements mentioned above. (16a)

In the Spring of 1990, Respondent began to market a similar line of silverware called "20TH CENTURY BAROQUE." Petitioner became aware of Respondent's newly launched silverware and regarded its design as an infringement of its GRANDE BAROQUE trade dress. (4a)

Suit for trade dress infringement was commenced through an application for a temporary restraining order and preliminary injunction. (4a) Counsel for both parties appeared before the District Court and presented oral argument. (5a) There was no evidentiary hearing. (5a) Promptly after oral argument (5a), the District Court issued its decision denying Petitioner's application for preliminary injunctive relief (5a) and finding that the Plaintiff's GRANDE BAROQUE trade

dress was not protectable because it was "aesthetically functional.[4]" (20-21a)

The District Court assumed, for purposes of its decision, that the GRANDE BAROQUE trade dress had achieved secondary meaning. (20a) The court also found that:

> Defendant's product is *substantially similar* to plaintiff's: it has all the same shapes, including the indented root, the curls and the flowers. The dimensions of the shapes are slightly different and the overall look of the product is decidedly cheaper looking. *However, defendant admits that the products are substantially similar. In fact, defendant admits that it was "aware of" and "inspired by" plaintiff's product.* (Emphasis added). (16a)

Thus, the requisites for relief in a trade dress suit, secondary meaning and substantial similarity were present in the case. Nevertheless, the District Court denied relief. Applying the aesthetic functionality doctrine, and relying on *Pagliero v. Wallace China Co.*, 198 F.2d 339 (9th Cir. 1952), the court stated:

> The "Baroque" curls, roots and flowers are not "mere indicia of source." Instead, they are requirements to compete in the silverware market. This is a classic example of the proposition that "to imitate is to compete." *Pagliero, supra*, at 344. The designs are aesthetically functional.
>
> Accordingly, I conclude that plaintiff does not have a trade dress subject to the protection of the Lanham Act. Plaintiff's application for a temporary restraining order is denied. For comparable reasons, I decline to order

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4 "Aesthetic functionality" is explained in the Restatement of Torts, Section 742, comment a, as follows:

> [W]hen goods are bought largely for their aesthetic value, their features may be functional because they definitely contribute to that value and this and the performance of an object for which the goods are intended.

> expedited discovery or set the case down for a hearing on a preliminary injunction. The legal principles which bar a temporary restraining order are equally fatal to plaintiff's motion for a preliminary injunction. In these circumstances, I also deny plaintiff's motion for a preliminary injunction. (21a)

The Court made no findings as to the functionality of GRANDE BAROQUE design as a whole.

The Court of Appeals Decision

Petitioner took an expedited appeal on the grounds that the doctrine of aesthetic functionality was no longer viable in the Second Circuit in view of the Circuit Court's decision in *Stormy Clime v. ProGroup Inc.*, 809 F.2d 971 (2d Cir. 1987), and, alternatively, that if it were still viable, it had been applied in error by the District Court.

The Court of Appeals explicitly rejected the important ingredient test in *Pagliero*. (10a) The Court nevertheless affirmed. The rationale for affirmance was tied directly to the factual premise, accepted by the Court, that "there is a substantial market for baroque silverware and that effective competition in that market requires use of essentially the same scrolls and flowers" as found in Wallace's silverware. (11a)

The Court of Appeals framed the functionality issue of the case to be:

> [W]hether the doctrine of functionality applies to features of a product that are purely ornamental but that are essential to effective competition. (11a)

Answering the question in the affirmative, the court stated:

> . . . whatever secondary meaning Wallace's baroque silverware pattern may have acquired, Wallace may not exclude competitors from using those baroque design elements necessary to compete in the market for baroque silverware. . . . (12a)

> In the instant matter, Wallace seeks trademark protection, not for a precise expression of a decorative style, but for basic elements of a style that is part of the public domain. As found by the district court, these elements are important to competition in the silverware market. We perceive no distinction between a claim to exclude all others from use on silverware of basic elements of a decorative style and claims to generic names, basic colors or designs important to a product's utility. In each case, trademark protection is sought, not just to protect an owner of a mark in informing the public of the source of its products, but also to exclude competitors from producing similar products. We therefore abandon our quibble with the aesthetic functionality doctrine's nomenclature and adopt the Restatement's view that, where an ornamental feature is claimed as a trademark and trademark protection would significantly hinder competition by limiting the range of adequate alternative designs, the aesthetic functionality doctrine denies such protection. (13a)

The above quoted aspect of the decision directly influenced the Court's holding on the scope of protection afforded to the GRANDE BAROQUE silverware pattern as a whole. It stated:

> Of course, if Wallace were able to show secondary meaning in a precise expression of baroque style, competitors might be excluded from using an *identical or virtually identical design*. In such a case, numerous alternative baroque designs would still be available to competitors. Although the Godinger design at issue here was found by Judge Haight to be "substantially similar," it is not identical or virtually identical, and the similarity involves design elements necessary to compete in the market for baroque silverware. Because according trademark protection to those elements would significantly hinder competitors by limiting the range of adequate

> alternative designs, we agree with Judge Haight's denial of a preliminary injunction. (Emphasis added) (14a)

Implicit in this restrictive view is the premise that, in a case involving a trade dress comprised of commonly used design elements, a holding that any trade dress other than an identical or virtually identical one was an infringement, would, in effect, hinder competition by restricting the way those constituent design elements could be used on competing products. Included among the many trade dress which could *not* be enjoined, are ones which are not virtually identical but are nonetheless confusingly similar.

REASONS FOR GRANTING THE WRIT

I. THE DECISION OF THE COURT OF APPEALS IS CONTRARY TO THIS COURT'S APPROACH TO TRADE DRESS FUNCTIONALITY AS SET OUT IN *INWOOD LABORATORIES INC. v. IVES LABORATORIES*, 456 U.S. 844 (1982) AND INCONSISTENT WITH DECISIONS OF OTHER CIRCUITS ON THE FUNCTIONALITY OF PURELY ORNAMENTAL DESIGNS

The functionality defense should not be applied to purely ornamental, non-utilitarian, designs.

The defense of functionality rests on the public policy of protecting useful design features from being monopolized. *Inwood Laboratories, Inc. v. Ives Laboratories Inc.*, 466 U.S. 844 (1982). In *Ives*, this court defined a functional feature as one that "is essential to the use or purposes of an article or [that] affects the cost or quality of the article." *Id.* at 852. A design feature of a particular article is "essential" only if the feature is dictated by functions to be performed. A feature that merely accommodates a useful function is not enough. As pointed out in *Warner Bros. Inc. v. Gay Toys Inc.*, 724 F.2d 327 (2d Cir. 1983), "the functionality defense was developed to protect advances in *functional* designs from being monopolized."

To apply the functionality defense to a purely ornamental, non-utilitarian design, such as silverware, is beyond the purview of the functionality defense as defined by *Ives*. The functionality defense need not, moreover, be extended to purely ornamental designs because such designs can be varied in so many ways that protection of a purely ornamental design against confusingly similar designs can in no way impede competition. This conclusion flows largely from the most basic aspects of trade dress law. First, the trade dress of a product "involves the *total image* of the product and may include features such as size, shape, color or color combination, texture or graphics." *John Harland Co. v. Clarke Checkers, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983) (emphasis added). Second, trade dress infringement is determined by comparing the *whole* of each trade dress at issue. *LeSportsac*, 754 F.2d at 76.

Constituent design elements of a trade dress in themselves are not relevant to the infringement inquiry because they are not separately protectable. *E.g.*, *Fuddruckers Inc. v. Doc's B.R.*, 826 F.2d 837 (9th Cir. 1987). Protection of the trade dress as a whole could not prevent another from using the design elements in a different design arrangement.[5]

The concern underlying the functionality defense, namely protecting competition, is therefore not present as to purely ornamental designs because, as pointed out by *Fuddruckers*, competitors need only manipulate the design elements in their competitive products.

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5 A good example of this principal is set forth in the *Fuddruckers* case wherein the court stated:

> Viewing the elements as a whole does not result in monopoly protection for necessary elements. If Fuddruckers were to get protection for its trade dress, which includes such items as directors chairs, white tile, and an open bakery, it could not preclude other restaurants from using those items. It can only prevent competitors from using the items in a way that, *viewed as a whole*, is likely to confuse consumers. There are many ways to use directors chairs, white tile, open bakeries, and the many other items that make up Fuddruckers' trade dress that would not cause confusion.

In the instant case, the Court not only extended the functionality defense to a purely ornamental trade dress, but did so by focusing on the constituent element of the design and not the design as a whole.[6] By its ruling, it, in effect, established a *per se* rule that where a design is comprised of commonly used design elements any claim that the trade dress may be infringed by anything other than an "identical" or "virtually identical" trade dress, for example, a confusingly similar trade dress, renders the trade dress functional. That rule, Petitioner submits, is far beyond the definition of functionality set forth in *Ives* and, for reasons set forth above, totally unnecessary.

In this case, competitors had indeed used the baroque elements in Petitioner's GRANDE BAROQUE Design. (16a) Both the Court of Appeals and District Court took note of such use. (5a, 16a) Any proprietary rights vested in the GRANDE BAROQUE trade dress, as a whole, did not prohibit use by the competition from using these constituent elements. As a matter of law, Petitioner would not have a cause of action against a different use of those elements so long as the trade dress created by those elements were not confusingly similar to Petitioner's GRANDE BAROQUE trade dress. *LeSportsac*, 754 F.2d at 79.

Ironically, by automatically finding all designs comprised of elements commonly used in the trade to be functional, when the trade dress owner attempts to bar the use of a con-

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6 Compare *Hartford House v. Hallmark*, 846 F.2d 1268 (10th Cir. 1988) in which a trade dress consisting of ornamental features was at issue. As in *LeSportsac*, the defendant had urged the court to view each of the ornamental features individually. Citing a passage from *LeSportsac*, the Tenth Circuit explained that:

> [c]ontrary to Hallmark's contention, the appropriate inquiry is not whether each individual feature of the trade dress is functional but whether the whole collection of features, taken together, is functional.

Id. at 1272. The Court adopted the view of the district court that the dissection of the features of any given trade dress is ". . .alien to the policies of the Lanham Act. *Hartford House*, 647 F. Supp. at 1539." *Id.* at 1272-73.

fusingly similar trade dress, the decision will ultimately *discourage* competition.

Market entry of emerging companies is often established and maintained through the use of innovative designs for established products. Under the Court's decision, large competitors can now simply copy such designs by merely making inconsequential changes, and through exertion of economic power, drive the emerging company out of business. Thus, competition will ultimately be diminished and not sustained, by the Court's Decision because its restrictive approach to trade dress infringement will inevitably lessen the incentive to create new products with this type of trade dress. *See, e.g., Keene Corporation v. Paraflex Industries, Inc.*, 653 F.2d 822, 825 (3d Cir. 1981).

II. TRADE DRESS INFRINGEMENT SHOULD BE DETERMINED BY THE ACCEPTED "CONFUSINGLY SIMILAR" TEST AND NOT BY AN "IDENTITY" OR "VIRTUAL IDENTITY" TEST

The Court's holding as to functionality (as discussed above) was directly tied to the scope of protection sought by Petitioner. In the Court's view, the assertion of Petitioner's trade dress against a substantially similar trade dress was too much of an over-reach and would have resulted in an inhibition on competition rights to freely use common design elements as their baroque designs. Having arrived at this point, the Court's only alternative on the protectability of Petitioner's trade dress *as a whole* was to limit that protection to only identical or virtually identical patterns. To do otherwise would be inconsistent with its whole rationale. Using this new criteria for ascertaining infringement, however, is error.

The cornerstone for judging trademark and trade dress infringement has always been a "confusingly similar" test. Having concluded that the Petitioner's trade dress *as a whole* was capable of being protectable (14a), it was incumbent on the Court to use the criteria of the Lanham Act, namely, whether the trade dresses in issue as a whole were confusingly

similar. *E.g.*, *American Footwear Corp. v. General Footwear Co.*, 609 F.2d 655, 664 (2d Cir. 1979). *Accord Harlequin Enterprises Ltd. v. Gulf & Western Corp.*, 644 F.2d 946 (1981), *Hartford House Ltd. v. Hallmark Cards*, 846 F.2d 1268, 1275 (10th Cir. 1988) *cert. denied* 488 U.S. 908 (1988).

The Court, however, introduced a totally new and significantly more restrictive standard for infringement, namely that there had to be a *virtual identity* between the conflicting designs. This standard for trade dress infringement is inconsistent with virtually every other judicial circuit.

Indeed, in a case of this type (involving identical goods, channels of trade and customers), the standard for finding infringement has been *less* rigorous. *E.g.*, *Eaton Allen Corp. v. Paco Impressions Corp.*, 405 F. Supp. 530, 533 (S.D.N.Y. 1975). *Accord Squirtco v. Seven-Up Co.*, 628 F.2d 1086, 1091 (8th Cir. 1980). Moreover, prior to the Court's decision, it had been axiomatic in every circuit that an unfair copyist could not prevail merely by cleverly changing minute differences in its design. *E.g.*, *Beech-Nut, Inc. v. Warner Lambert Company*, 480 F.2d 801, 804 (2d Cir. 1973). *Accord Roulo v. Russ Berrie & Co., Inc.*, 886 F.2d 931, 937 (8th Cir. 1989).

The Court's restrictive approach permits the clever copyist to escape a finding of infringement in any case involving a uniquely designed trade dress comprised of commonly used component parts, by merely varying the unique design by one iota. In the instant case, for example, the Court found the fact that Respondent's design appeared slightly further down the handle of the silverware to constitute a compelling difference between the two designs. Allowing this sort of *inconsequential* change benefits *only* the unfair copyist at the expense of the confused consumer and the innovative designer. A trade dress based solely on this inconsequential change does not represent a new or worthy contribution to art or commerce—rather, it represents an unfair appropriation of another's design and concomitant good will.

The goals of our trademark law of protecting consumers, trade dress owners, and fostering competition can be met by using the traditional trademark infringement factors[7] in evaluating the likelihood of confusion. If the trade dress in question is one of many similar trade dresses, it will be deemed extremely weak, but nonetheless entitled to a certain scope of protection, albeit extremely limited. *E.g.*, *Plus Products v. Discount Foods, Inc.*, 722 F.2d 999, 1006 (2d Cir. 1983). In such a case, the trade dress could only be asserted to bar, in effect, substantially similar trade dresses. Where the trade dress is weak, it could not be asserted to bar trade dresses which were *merely generally* similar. As such, there could never be a significant barrier to competition, because the trade dress could not be used to bar the use of common design elements *per se*.

CONCLUSION

For the foregoing reasons, the requested writ of certiorari should issue.

Dated: February 28, 1991

Respectfully submitted,

LIDDY SULLIVAN GALWAY BEGLER
& PEROFF, P.C.
Attorneys for Petitioner

/s/ MARCELLA A. STAPOR
Marcella A. Stapor
•Jay H. Begler
41 Madison Avenue
New York, New York 10010
•(*Counsel of Record*) (212) 481-3000

7 These factors were articulated in the Second Circuit by Judge Friendly in the landmark decision, *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 493 (2d Cir.), *cert. denied*, 368 U.S. 820 (1961). Other circuits follow similar factors.

APPENDIX

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

No. 1679—August Term, 1989

(Argued: July 16, 1990 Decided: October 17, 1990)

Docket No. 90-7408

WALLACE INTERNATIONAL SILVERSMITHS, INC.,

Plaintiff-Appellant,

—v.—

GODINGER SILVER ART CO., INC.,

Defendant-Appellee.

Before:

WINTER, MAHONEY and WALKER,

Circuit Judges.

Appeal from a denial by the United States District Court for the Southern District of New York (Charles S. Haight, Jr., *Judge*) of appellant's motion for a preliminary injunction under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), against appellee's marketing of a line of silverware with ornamentation substantially simi-

lar to appellant's GRANDE BAROQUE line. We hold that the functionality defense applies to purely ornamental features of a product and affirm.

JAY H. BEGLER, New York, New York (Andrew V. Galway, Arlana S. Cohen, Nancy Deckinger, Liddy Sullivan Galway Begler & Peroff, New York, New York, of counsel), *for Plaintiff-Appellant*.

MARTIN PAVANE, New York, New York (Deirdre A. Nicolle, Schechter, Brucker & Pavane, New York, New York, of counsel), *for Defendant-Appellee*.

WINTER, *Circuit Judge*:

Wallace International Silversmiths ("Wallace") appeals from Judge Haight's denial of its motion for a preliminary injunction under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a) (1988), prohibiting Godinger Silver Art Co., Inc. ("Godinger") from marketing a line of silverware with ornamentation that is substantially similar to Wallace's GRANDE BAROQUE line. Judge Haight held that the GRANDE BAROQUE design is "a functional feature of 'Baroque' style silverware" and thus not subject to protection as a trademark. We affirm.

BACKGROUND

Wallace, a Delaware corporation, has sold sterling silver products for over one hundred years. Its GRANDE BAROQUE pattern was introduced in 1941 and is still one of the best-selling silverware lines in America. Made of fine sterling silver, a complete place setting costs several thousand dollars. Total sales of GRANDE BAROQUE silverware have exceeded fifty million dollars. The GRANDE BAROQUE pattern is fairly described as "ornate, massive and flowery [with] indented, flowery roots and scrolls and curls along the side of the shaft, and flower arrangements along the front of the shaft." Wallace owns a trademark registration for the GRANDE BAROQUE name as applied to sterling silver flatware and hollowware. The GRANDE BAROQUE design is not patented, but on December 11, 1989, Wallace filed an application for trademark registration for the GRANDE BAROQUE pattern. This application is still pending.

Godinger, a New York corporation, is a manufacturer of silver-plated products. The company has recently begun to market a line of baroque-style silver-plated serving pieces. The suggested retail price of the set of four serving pieces is approximately twenty dollars. Godinger advertised its new line under the name 20TH CENTURY BAROQUE and planned to introduce it at the Annual New York Tabletop and Accessories Show, the principal industry trade show at which orders for the coming year are taken. Like Wallace's silverware, Godinger's pattern contains typical baroque elements including an indented root, scrolls, curls, and flowers. The arrangement of these elements approximates Wallace's design in many ways, although their dimensions

are noticeably different. The most obvious difference between the two designs is that the Godinger pattern extends further down the handle than the Wallace pattern does. The Wallace pattern also tapers from the top of the handle to the stem while the Godinger pattern appears bulkier overall and maintains its bulk throughout the decorated portion of the handle. Although the record does not disclose the exact circumstances under which Godinger's serving pieces were created, Godinger admits that its designers were "certainly inspired by and aware of [the Wallace] design when [they] created [the 20TH CENTURY BAROQUE] design."

On the afternoon of April 23, 1990, Leonard Florence of Wallace learned from a wholesale customer, Michael C. Fina Company, that Godinger had placed an advertisement for its 20TH CENTURY BAROQUE serving pieces in an industry trade magazine. George Fina, the company's president, said that he was "confused" when he saw what he believed to be a pattern identical to GRANDE BAROQUE being advertised by another company. He asked Mr. Florence whether Wallace had licensed the design to Godinger or whether "the Godinger product was simply a 'knock-off.' " Two days after this conversation, Wallace filed the complaint in the instant matter stating various federal trademark and state unfair competition claims. Wallace also filed a motion for a temporary restraining order and sought a preliminary injunction prohibiting Godinger from using the mark 20TH CENTURY BAROQUE or infringing the trade dress of Wallace's GRANDE BAROQUE product.

Due to the imminence of the trade show, the district court held a hearing on Wallace's application for preliminary relief the day after Wallace had filed its com-

plaint. The record consisted of affidavits from Florence and Fina reciting the facts described *supra*, samples of the Wallace and Godinger pieces, and various photographs and catalogue illustrations of silverware from other manufacturers. Later that day, Judge Haight issued a Memorandum Opinion and Order in which he concluded that the GRANDE BAROQUE design was a "functional" feature of baroque-style silverware and thus ineligible for trade dress protection under Section 43(a) of the Lanham Act. In so holding, he stated:

> In the case at bar, the "Baroque" curls and flowers are not "arbitrary embellishments" adopted to identify plaintiff's product. Instead, all the "Baroque" style silverware use essentially the same scrolls and flowers as a way to compete in the free market. The "Baroque" style is a line of silverware which many manufacturers produce. Just like the patterns on the chinaware in *Pagliero* [*v. Wallace China Co.*, 198 F.2d 339 (9th Cir. 1952)], the "Grande Baroque" design is a functional feature of "Baroque" style silverware.
>
> Wallace may well have developed secondary meaning in the market of "Baroque"-styled silverware. In fact, I assume for purposes of this motion that anyone that sees, for instance, five lines of Baroque silverware will single out the Wallace line as being the "classiest" or the most handsome looking and will immediately exclaim "Oh! That's the Wallace line. They make the finest looking "Baroque" forks!" That is secondary meaning. However, that does not mean that plaintiff's design is subject to protection. The "Baroque" curls, roots and flowers are not "mere indicia of source."

> Instead, they are requirements to compete in the silverware market. This is a classic example of the proposition that "to imitate is to compete." *Pagliero, supra*, at 344. The designs are aesthetically functional.
>
> Accordingly, I conclude that plaintiff does not have a trade dress subject to the protection of the Lanham Act. . . .

He therefore declined to order expedited discovery and denied Wallace's motion for a preliminary injunction.

DISCUSSION

In order to obtain a preliminary injunction, the movant must demonstrate "(a) irreparable harm and (b) either (1) likelihood of success on the merits or (2) sufficiently serious questions going to the merits to make them a fair ground for litigation and a balance of hardships tipping decidedly toward the party requesting the preliminary relief." *Jackson Dairy, Inc. v. H.P. Hood & Sons, Inc.*, 596 F.2d 70, 72 (2d Cir. 1979) (per curiam); *see also Warner Bros. v. Gay Toys, Inc.*, 658 F.2d 76, 78-79 (2d Cir. 1981) ("*Warner I*") (applying *Jackson Dairy* standard to trademark infringement case). In concluding that "the 'Grande Baroque' design is a functional feature of 'Baroque' style silverware," Judge Haight denied Wallace's motion because there was not a fair ground for litigation on the issue of trademark liability. Our review therefore focuses on the functionality issue.

The core purpose of trademark law is to prevent competitors from copying those aspects of a product or its trade dress that identify the source of the product to

prospective consumers. *See Inwood Laboratories v. Ives Laboratories*, 456 U.S. 844, 854 n.14 (1982); *Bose Corp. v. Linear Design Labs, Inc.*, 467 F.2d 304, 309-10 (2d Cir. 1972). By giving the first user of a trademark exclusive rights in that mark, the law protects trademark owners' investments in creating goodwill and affords consumers a low-cost means of identifying the source of goods. *See Inwood Laboratories, supra*; *W.T. Rogers Co, Inc. v. Keene*, 778 F.2d 334 (7th Cir. 1985). Although the paradigmatic trademark is a distinctive name, the "trade dress" of a product may also serve as a trademark. A product's trade dress ordinarily consists of its packaging. However, the design given a product by its manufacturer also may serve to distinguish it from the products of other manufacturers and hence be protectible trade dress. *See, e.g., Stormy Clime Ltd. v. Progroup, Inc.*, 809 F.2d 971, 974 (2d Cir. 1987) ("The trade dress of a product 'involves the total image of a product and may include features such as size, shape, color or color combinations, texture, [or] graphics.' ") (quoting *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983)); *Warner I, supra* (color and symbols on toy car); *Harlequin Enterprises Ltd. v. Gulf & Western Corp.*, 644 F.2d 946 (2d Cir. 1981) (paperback book covers).

In order to maintain an action for trade dress infringement under Section 43(a) of the Lanham Act, the plaintiff must show that its trade dress has acquired secondary meaning—that is, the trade dress identifies the source of the product—and that there is a likelihood of confusion between the original trade dress and the trade dress of the allegedly infringing product. *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 75 (2d Cir. 1985). Even if the plaintiff establishes these elements,

the defendant may still avoid liability on a variety of grounds, including the so-called functionality doctrine. Our present view of that doctrine is derived from the Supreme Court's dictum in *Inwood Laboratories*, stating that "[i]n general terms, a product feature is functional if it is essential to the use or purpose of the article or if it affects the cost or quality of the article."[1] 456 U.S. at 850 n.10. Our most recent elaboration of the doctrine was in *Stormy Clime*, where Judge Newman stated:

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1 We initially adopted the "essential to the use or purpose" test in *Warner Bros, Inc. v. Gay Toys, Inc.*, 724 F.2d 327, 331 (2d Cir. 1983) ("*Warner II*"). In *Warner II*, Judge Oakes's opinion explained that "[a] design feature of a particular article is 'essential' only if the feature is dictated by the functions to be performed; a feature that merely accommodates a useful function is not enough." 724 F.2d at 331. However, in *Industria Arredamenti Fratelli Saporiti v. Charles Craig, Ltd.*, 725 F.2d 18 (2d Cir. 1984), decided just two weeks after *Warner II*, another panel of this court stated that the functionality test was whether the aesthetic feature was an " 'important ingredient in the commercial success.' " *Id.* at 19 (quoting *Ives Laboratories, Inc. v. Darby Drug Co., Inc.*, 601 F.2d 631, 643 (2d Cir. 1979). This formulation, which is derived from *Pagliero v. Wallace China Co.*, 198 F.2d 339, 343 (9th Cir. 1952), had been used in earlier cases but widely criticized. *See, e.g., Warner II, supra* at 330; *Keene Corp. v. Paraflex Indus.*, 653 F.2d 822, 824-25 (3d Cir. 1981); *Vuitton et Fils S.A. v. J. Young Enterprises, Inc.*, 644 F.2d 769, 773 (9th Cir. 1981).

In *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71 (2d Cir. 1985), Chief Judge Feinberg's opinion addressed the "obvious tension" between *Warner II* and *Charles Craig* and concluded that "[t]he *Inwood Laboratories-Warner II* formulation, in which a feature must be 'essential to the use or purpose of the article' or must affect 'the cost or quality of the article' . . . is less susceptible to confusion or an overly broad interpretation." *Id.* at 77 (citation omitted). *LeSportsac* noted that a feature that is an important ingredient in the commercial success of a product might still be functional and expressly ratified *Warner II*'s adoption of the *Inwood Laboratories* definition of functionality. It also harmonized the result in *Charles Craig* by observing that the distinctive features of the sofa design at issue in that case " 'constitute[d] an improvement in the operation of the goods' that ought not to be monopolized (absent patent protection), and hence is functional under *Warner II* as well." *Id.* (quoting *Warner II, supra* at 331).

> the functionality inquiry . . . should [focus] on whether bestowing trade dress protection upon [a particular] arrangement of features " 'will hinder competition or impinge upon the rights of others to compete effectively in the sale of goods.' " *Sicilia di R. Biebow & Co. v. Cox*, 732 F.2d 417, 429 (5th Cir. 1984) (quoting *In re Morton-Norwich Products, Inc.*, 671 F.2d 1332, 1342 (Cust. & Pat. App. 1982)).

Id. at 976-77. *Stormy Cline* outlined the factors to be considered in determining functionality as follows:

> the degree of functionality of the similar features, the degree of similarity between non-functional (ornamental) features of the competing products, and the feasibility of alternative arrangements of functional features that would not impair the utility of the product. These factors should be considered along a continuum. On one end, unique arrangements of purely functional features constitute a functional design. On the other end, distinctive and arbitrary arrangements of predominantly ornamental features that do not hinder potential competitors from entering the same market with differently dressed versions of the product are non-functional and hence eligible for trade dress protection. In between, the case for protection weakens the more clearly the arrangement of allegedly distinctive features serves the purpose of the product . . .

Id. at 977 (citations omitted).

Turning to the instant case, Judge Haight found that the similarities between the Godinger and Wallace designs involved elements common to all baroque-style

designs used in the silverware market. He noted that many manufacturers compete in that market with such designs and found that "[t]he 'Baroque' curls, roots and flowers are not 'mere indicia of source.' Instead, they are requirements to compete in the silverware market." Judge Haight concluded that "the 'Grande Baroque' design is a functional feature of 'Baroque' style silverware," relying on *Pagliero v. Wallace China Co.*, 198 F.2d 339 (9th Cir. 1952).

Although we agree with Judge Haight's decision, we do not endorse his reliance upon *Pagliero*. That decision allowed a competitor to sell exact copies of china bearing a particular pattern without finding that comparably attractive patterns were not available to the competitor. It based its holding solely on the ground that the particular pattern was an important ingredient in the commercial success of the china. *Id.* at 343-44. We rejected *Pagliero* in *LeSportsac*, *supra* at 77, and reiterate that rejection here. Under *Pagliero*, the commercial success of an aesthetic feature automatically destroys all of the originator's trademark interest in it, notwithstanding the feature's secondary meaning and the lack of any evidence that competitors cannot develop non-infringing, attractive patterns. By allowing the copying of an exact design without any evidence of market foreclosure, the *Pagliero* test discourages both originators and later competitors from developing pleasing designs. *See Keene Corp. v. Paraflex Industries, Inc.*, 653 F.2d 822, 824-25 (3d Cir. 1981).

Our rejection of *Pagliero*, however, does not call for reversal. Quite unlike *Pagliero*, Judge Haight found in the instant matter that there is a substantial market for baroque silverware and that effective competition in that

market requires "use [of] essentially the same scrolls and flowers" as is found on Wallace's silverware. Based on the record at the hearing, that finding is not clearly erroneous and satisfies the requirement of *Stormy Clime* that a design feature not be given trade dress protection where use of that feature is necessary for effective competition. 809 F.2d at 976-77.

Stormy Clime is arguably distinguishable, however, because it involved a design that had both aesthetic and utilitarian features. If read narrowly, *Stormy Clime* might be limited to cases in which trademark protection of a design would foreclose competitors from incorporating utilitarian features necessary to compete in the market for the particular product. In the instant case, the features at issue are strictly ornamental because they neither affect the use of the silverware nor contribute to its efficient manufacture. The question, therefore, is whether the doctrine of functionality applies to features of a product that are purely ornamental but that are essential to effective competition.

Our only hesitation in holding that the functionality doctrine applies is based on nomenclature. "Functionality" seems to us to imply only utilitarian considerations and, as a legal doctrine, to be intended only to prevent competitors from obtaining trademark protection for design features that are necessary to the use or efficient production of the product. *See Keene*, *supra* at 825 ("inquiry should focus on the extent to which the design feature is related to the utilitarian function of the product or feature"). Even when the doctrine is referred to as "aesthetic" functionality, it still seems an apt description only of pleasing designs of utilitarian features. Nevertheless, there is no lack of language in caselaw

endorsing use of the defense of aesthetic functionality where trademark protection for purely ornamental features would exclude competitors from a market. *See, e.g., Rogers, supra* at 347 ("Though a producer does not lose a design trademark just because the public finds it pleasing, there may come a point where the design feature is so important to the value of the product to consumers that continued trademark protection would deprive them of competitive alternatives[.]") (Posner, J.). Indeed, the "continuum" in Judge Newman's *Stormy Clime* opinion carefully limited the "distinctive and arbitrary arrangements of predominantly ornamental features" entitled to trademark protection to only those features "that do not hinder competitors from entering the same market." *Id.* at 977.

We put aside our quibble over doctrinal nomenclature, however, because we are confident that whatever secondary meaning Wallace's baroque silverware pattern may have acquired, Wallace may not exclude competitors from using those baroque design elements necessary to compete in the market for baroque silverware. It is a first principle of trademark law that an owner may not use the mark as a means of excluding competitors from a substantial market. Where a mark becomes the generic term to describe an article, for example, trademark protection ceases. 15 U.S.C. § 1064(3) (1988); *see Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2d Cir. 1976). Where granting trademark protection to the use of certain colors would tend to exclude competitors, such protection is also limited. *See First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378 (9th Cir. 1987); J. McCarthy, *Trademarks and Unfair Competition*, § 7:16 *et seq.* Finally, as discussed *supra*, design features of products that are necessary to the

product's utility may be copied by competitors under the functionality doctrine.

In the instant matter, Wallace seeks trademark protection, not for a precise expression of a decorative style, but for basic elements of a style that is part of the public domain. As found by the district court, these elements are important to competition in the silverware market. We perceive no distinction between a claim to exclude all others from use on silverware of basic elements of a decorative style and claims to generic names, basic colors or designs important to a product's utility. In each case, trademark protection is sought, not just to protect an owner of a mark in informing the public of the source of its products, but also to exclude competitors from producing similar products. We therefore abandon our quibble with the aesthetic functionality doctrine's nomenclature and adopt the Restatement's view that, where an ornamental feature is claimed as a trademark and trademark protection would significantly hinder competition by limiting the range of adequate alternative designs, the aesthetic functionality doctrine denies such protection. *See* Third Restatement of the Law, Unfair Competition, Ch. 3, § 17(c) at 213-14. This rule avoids the overbreadth of *Pagliero* by requiring a finding of foreclosure of alternatives[2] while still ensuring

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2 The Restatement's Illustrations expressly reject *Pagliero*. Illustration 6 reads as follows:

> *A* manufactures china. Among the products marketed by *A* is a set of china bearing a particular "overall" pattern covering the entire upper surface of each dish. Evidence indicates that aesthetic factors play an important role in the purchase of china, that *A*'s design is attractive to a significant number of consumers, and that the number of alternative patterns is virtually unlimited. In the absence of evidence indicating that similarly attractive "overall" patterns are unavailable to competing manufacturers, *A*'s pattern design is not functional under the rule stated in this Section.

that trademark protection does not exclude competitors from substantial markets.[3]

Of course, if Wallace were able to show secondary meaning in a precise expression of baroque style, competitors might be excluded from using an identical or virtually identical design. In such a case, numerous alternative baroque designs would still be available to competitors. Although the Godinger design at issue here was found by Judge Haight to be "substantially similar," it is not identical or virtually identical, and the similarity involves design elements necessary to compete in the market for baroque silverware. Because according trademark protection to those elements would significantly hinder competitors by limiting the range of adequate alternative designs, we agree with Judge Haight's denial of a preliminary injunction.

Affirmed.

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3 Restatement Illustrations 7 and 8 reflect this aspect of the rule. They read as follows:

> 7. The facts being otherwise as stated in Illustration 6, *A*'s design consists solely of a thin gold band placed around the rim of each dish. Evidence indicates that a significant number of consumers prefer china decorated with only a gold rim band. Because the number of alternative designs available to satisfy the aesthetic desires of these prospective purchasers is extremely limited, the rim design is functional under the rule stated in this Section.
>
> 8. *A* is the first seller to market candy intended for Valentine's Day in heart-shaped boxes. Evidence indicates that the shape of the box is an important factor in the appeal of the product to a significant number of consumers. Because there are no alternative designs capable of satisfying the aesthetic desires of these prospective purchasers, the design of the box is functional under the rule stated in this Section.

UNITED STATES DISTRICT COURT

S.D. NEW YORK

April 26, 1990

WALLACE INTERNATIONAL SILVERSMITHS, INC.,

Plaintiff,

v.

GODINGER SILVER ART CO., INC.,

Defendant.

Manufacturer of silverware line brought action against competitor for trade dress infringement. On motion to show cause for temporary restraining order, the District Court, Haight, J., held that manufacturer's design was aesthetically functional and thus was not entitled to trade dress protection under the Lanham Act.

Motion denied.

Andrew Galway and Arlana Cohen, Liddy, Sullivan, Galway, Begler & Peroff, P.C., New York City, for plaintiff.

Martin Pavane and Andrew Brucker, Schechter, Brucker & Pavane, P.C., New York City, for defendant.

MEMORANDUM OPINION AND ORDER

HAIGHT, *District Judge*:

This action is before the Court on plaintiff's Order to Show Cause for a temporary restraining order. Plaintiff, Wallace International Silversmiths, Inc., manufactures and

sells silverware, including a line of ornamented silverware called "Grande Baroque." Plaintiff seeks to enjoin defendant, Godinger Silver Art Co., Inc., from showing its new line of silverware called "20th Century Baroque" at the Annual New York Tabletop and Accessories Show. Plaintiff brings this suit under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).

Wallace International has been manufacturing and selling the line of silverware called "Grande Baroque" since 1941. As the name indicates, the silverware is ornate, massive and flowery; it has indented, flowery roots and scrolls and curls along the side of the shaft, and flower arrangements along the front of the shaft. In a word, it is "Baroque." The defendant is about to begin marketing a similar line of silverware called "20th Century Baroque." Defendant's product is substantially similar to plaintiff's: it has all the same shapes, including the indented root, the curls and the flowers. The dimensions of the shapes are slightly different and the overall look of the product is decidedly cheaper looking. However, defendant admits that the products are substantially similar. In fact, defendant admits that it was "aware of" and "inspired by" plaintiff's product.

In addition, both plaintiff's and defendant's products are substantially similar to the products of other non-party manufacturers of silverware. *See* Defendant's Exhibit G. Oneida sells a "Michelangelo" line of silverware that resembles the parties' "Baroque" style. Lunt sells an "Eloquence" line, and Reed & Barton an "El Greco" line, that resemble the silverware at issue in this case. Perhaps the best description of all of these lines of silverware is in Reed & Barton's advertisement for "El Greco": "designed expressly for those who like their sterling silver massive, elegant, richly carved, and detailed."

At the hearing on the Order to Show Cause, plaintiff's counsel argued that the "Grande Baroque" line is the first or second best seller in the world and that the "Grande Baroque" design has come to be associated with the name "Wallace." Plaintiff seeks the protection of the trademark laws claiming that the defendant is infringing its unregistered

trade dress.[1] Defendant concedes that the "20th Century Baroque" design is substantially similar to plaintiff's trade dress, in fact, defendant concedes that it was inspired by plaintiff's design; however, defendant contends that the "Baroque" style is not protected by the trademark laws because it is aesthetically functional. Defendant also argues that plaintiff will not prevail on secondary meaning and that there is no likelihood of confusion because it prominently displays its name in all its marketing.

[1] The rule in the Second Circuit is that a preliminary injunction may issue where a party establishes both possible irreparable injury and either (1) a likelihood of success on the merits or (2) sufficiently serious questions going to the merits to make them a fair ground for litigation and a balance of hardships tipping decidedly in the movant's favor. *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 74 (2d Cir.1985) (Lanham Act § 43(a) action). The same criteria apply to a temporary restraining order.

[2] Section 43(a) of the Lanham Act establishes a federal law of unfair competition regardless of whether the protected party has a federally registered trademark. The Act prohibits, *inter alia*, the "use in connection with any goods or services . . . [of] a false designation of origin . . . including words or other symbols tending falsely to describe or represent the same . . ." 15 U.S.C. § 1125(a).

A trade dress is subject to protection under the Lanham Act if it is nonfunctional and has acquired secondary meaning. *LeSportsac v. K Mart Corp.*, *supra*, at 75.

[3] In *Pagliero v. Wallace China Co.*, the plaintiff, Wallace China Co., had acquired a reputation for manufacturing chinaware of superior quality. 198 F.2d 339 (9th Cir.1952). Wallace produced four lines of chinaware with different patterns covering the surface of the plates. These lines were called "Tweed", "Hibiscus", "Shadowleaf", and "Magnolia". Defendant began manufacturing and selling the same lines of chinaware: same patterns, same dimensions, and

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1 Plaintiff has applied to register its "Grande Baroque" design. The application has been pending since December 1989.

same names. The only difference in the products was on the underside of the china where the manufacturer printed its name.

The Ninth Circuit ruled that the chinaware was not subject to the protection of the Lanham Act because the designs were "functional." The Court wrote:

> [Defendant's] use of the designs in question cannot be enjoined even though it be assumed that Wallace can establish secondary meaning for them. . . . [W]here the features are "functional" there is normally no right to relief. "Functional" in this sense might be said to connote other than a trade-mark purpose. If the particular feature is an important ingredient in the commercial success of the product, the interest in free competition permits its imitation in the absence of a patent or copyright. On the other hand, where the feature or, more aptly, design, is a mere arbitrary embellishment, a form of dress for the goods primarily adopted for purposes of identification and individuality and, hence, unrelated to basic consumer demands in connection with the product, imitation may be forbidden where the requisite showing of secondary meaning is made. Under such circumstances, since effective competition may be undertaken without limitation, the law grants protection.

Pagliero, *supra* at 343 (footnotes omitted). On the basis of this legal standard, the Court concluded that the china designs were not protected because "these designs are not mere indicia of source. . . . On the contrary, to imitate is to compete in this type of situation." *Id.* at 344. The Court concluded: "the design being a functional feature of the china, we find it unnecessary to inquire into the adequacy of the showing made as to secondary meaning of the designs." *Id.*

In *Vuitton v. Young*, 644 F.2d 769, 773 (9th Cir.1981), the Ninth Circuit refined its definition of "functional". The Court essentially eliminated the focus on the importance of the design to the commercial success of the product, and instead emphasized that a design is non-functional if it is "a

mere arbitrary embellishment, a form of dress for the goods primarily adopted for the purposes of identification and individuality." In *Vuitton*, the Court ultimately concluded that the "LV" and flower-like symbols on the Vuitton luggage were intended to indicate the origin of the product. Defendant argued that the "LV" symbol had become aesthetically functional, i.e. that the design was an aesthetic requirement in order to compete in the market. The Court concluded, however, that the "LV" symbol was not "that aspect of [Vuitton's] products which satisfies its consumers' tastes for beauty." *Id.* at 774. Instead, the Court found that the insignia was a fanciful embellishment used to designate the Vuitton name.

In *Rogers* v. *Keene*, 778 F.2d 334, 343 (7th Cir.1985), the Seventh Circuit ruled that the term functional embraces the aesthetic, "Beauty is function." The Court then explained:

> the jury has to determine whether the feature for which trademark protection is sought is something that other producers of the product in question would have to have a part of the product in order to be able to compete effectively in the market—in other words, in order to give consumers the benefits of a competitive market—or whether it is the kind of merely incidental feature which gives the brand some individual distinction but which producers of competing brands can readily do without. A feature can be functional not only because it helps the product achieve the objective for which the product would be valued by a person indifferent to matters of taste, charm, elegance, and beauty, but also because it makes the product more pleasing to people not indifferent to such things. But the fact that people like the feature does not by itself prevent the manufacturer from being able to use it as his trademark. He is prevented only if the feature is functional, as defined above, that is, only if without it other producers of the product could not compete effectively.

Id. at 346.

In the Second Circuit, "functional" symbols are those that are "essential to a product's use as opposed to those which merely identify it". *LeSportsac v. K Mart Corp.*, 754 F.2d 71, 75 (2d Cir.1985) (*citing Warner Bros., Inc. v. Gay Toys, Inc.*, 724 F.2d 327, 330 (2d Cir.1983)). The Court explained:

> In deciding the question of functionality at trial, the factfinder will be faced with answering the following: Are consumers likely to purchase [plaintiff's] bag rather than that of a competitor principally because they find [plaintiff's] particular combination of design features aesthetically pleasing or will they buy principally because the product features serve to identify or distinguish the goods as genuine [plaintiff] product? *See Vibrant Sales, Inc.* [*v. New Body Boutique Inc.*], *supra*, 652 F.2d [299] at 303-04 [(2nd Cir.1981)]; *Vuitton et fils*, *supra*, 644 F.2d at 776.

LeSportsac, *supra* at 78.[2]

In the case at bar, the "Baroque" curls and flowers are not "arbitrary embellishments" adopted to identify plaintiff's product. Instead, all the "Baroque" style silverware use essentially the same scrolls and flowers as a way to compete in the free market. The "Baroque" style is a line of silverware which many manufacturers produce. Just like the patterns on the chinaware in *Pagliero*, the "Grande Baroque" design is a functional feature of "Baroque" style silverware.

Wallace may well have developed secondary meaning in the market of "Baroque"-styled silverware. In fact, I assume for purposes of this motion that anyone that sees, for instance, five lines of Baroque silverware will single out the Wallace line as being the "classiest" or the most handsome looking and will immediately exclaim "Oh! That's the Wallace line. They make the finest looking "Baroque" forks!" That is secondary meaning. However, that does not mean that plaintiff's design is subject to protection. The "Baroque" curls, roots and flowers are not "mere indicia of source." Instead

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2 In *LeSportsac*, the Second Circuit cited and followed the Ninth Circuit's decision in *Pagliero*, *supra*, as modified by *Vuitton*, *supra*. 754 F.2d at 78.

they are requirements to compete in the silverware market. This is a classic example of the proposition that "to imitate is to compete." *Pagliero*, *supra*, at 344. The designs are aesthetically functional.

Accordingly, I conclude that plaintiff does not have a trade dress subject to the protection of the Lanham Act. Plaintiff's application for a temporary restraining order is denied. For comparable reasons, I decline to order expedited discovery or set the case down for a hearing on a preliminary injunction. The legal principles which bar a temporary restraining order are equally fatal to plaintiff's motion for a preliminary injunction. In these circumstances, I also deny plaintiff's motion for a preliminary injunction.

It is SO ORDERED.

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

DOCKET NUMBER 90-7408

At a stated term of the United States Court of Appeals for the Second Circuit, held at the United States Courthouse, in the City of New York, on the 29th day of November, one thousand nine hundred and ninety.

WALLACE INTERNATIONAL SILVERSMITHS, INC.,

Plaintiff-Appellant,

—v—

GODINGER SILVER ART CO., INC.,

Defendant-Appellee.

A petition for rehearing containing a suggestion that the action be reheard in banc having been filed herein by Wallace International Silversmiths, Inc.,

Upon consideration by the panel that heard the appeal, it is

Ordered that said petition for rehearing is DENIED.

It is further noted that the suggestion for rehearing in banc has been transmitted to the judges of the court in regular active service and to any other judge that heard the appeal and that no such judge has requested that a vote be taken thereon.

ELAINE B. GOLDSMITH

ELAINE B. GOLDSMITH
Clerk

§ 1125. False designations of origin and false descriptions forbidden

(a) Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or in the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

(b) Any goods marked or labeled in contravention of the provisions of this section shall not be imported into the United States or admitted to entry at any customhouse of the United States. The owner, importer, or consignee of goods refused entry at any customhouse under this section may have any recourse by protest or appeal that is given under the customs revenue laws or may have the remedy given by this chapter in cases involving goods refused entry or seized.

§ 1114. Remedies; infringement; innocent infringement by printers and publishers

(1) Any person who shall, without the consent of the registrant—

(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

(b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive.

shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) of this section, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such limitation is intended to be used to cause confusion, or to cause mistake, or to deceive.

(2) Notwithstanding any other provision of this chapter, the remedies given to the owner of the right infringed shall be limited as follows: (a) Where an infringer is engaged solely in the business of printing the mark for others and establishes that he was an innocent infringer the owner of the right infringed shall be entitled as against such infringer only to an injunction of against future printing; (b) where the infringement complained of is contained in or is part of paid advertising matter in a newspaper, magazine, or other similar periodical the remedies of the owner of the right infringed as against the publisher or distributor of such newspaper, magazine, or other similar periodical shall be confined to an injunction against the presentation of such advertising matter in future issues of such newspapers, magazines, or other similar periodical. *Provided*, That these limitations shall apply only to innocent infringers; (c) injunction relief shall not be available to the owner of the right infringed in respect of an issue of a newspaper, magazine, or other similar periodical containing infringing matter when restraining the dissemination of such infringing matter in any particular issue of such periodical would delay the delivery of such issue after the regular time therefor, and such delay would be due to the method by which publication and distribution of such period-

ical is customarily conducted in accordance with sound business practice, and not to any method or device adopted for the evasion of this section or to prevent or delay the issuance of an injunction or restraining order with respect to such infringing matter. July 5, 1946, c. 540, Title VI, § 32, 60 Stat. 437; Oct. 9, 1962, Pub.L. 87-772, § 17, 76 Stat. 773.

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No. 90-1366

IN THE

Supreme Court of the United States

OCTOBER TERM, 1990

WALLACE INTERNATIONAL SILVERSMITHS, INC.,

Petitioner,

vs.

GODINGER SILVER ART CO., INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

RESPONDENT'S BRIEF IN OPPOSITION

MARTIN PAVANE*
DEIRDRE A. NICOLLE
SCHECHTER, BRUCKER & PAVANE, P.C.
350 Fifth Avenue, Suite 4510
New York, New York 10118
(212) 244-6600

Attorneys for Respondent

* (Counsel of Record)

QUESTIONS PRESENTED

1. Whether the Second Circuit properly affirmed the District Court's denial of petitioner's motion for a preliminary injunction where the silverware designs in question were not confusingly similar and any similarity in the designs was due to design elements necessary to compete in the market for baroque silverware.

2. Whether an ornamental feature claimed as a trademark should be denied trademark protection where such protection would significantly hinder competition by limiting the range of adequate alternative designs.

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COUNTER-STATEMENT OF THE CASE

Preface

Petitioner Wallace International Silversmiths, Inc. (herein "Wallace") suggests that this Court should grant certiorari to set a single standard for measuring infringement in trade dress

infringement cases. However, the grant of certiorari is not necessary as the legal principles governing infringement actions are universal - the likelihood of confusion standard governs all such actions. If there is no bright line dividing infringement from non-infringement it is not because of varying legal standards but rather because the cases turn on the facts.

Wallace predicates its petition on the erroneous premise that the Second Circuit has adopted a new standard to ascertain trade dress infringement. In so contending, Wallace relies on dicta in the final paragraph of the fourteen page memorandum opinion and order of the Second Circuit (herein the "Opinion")[1] and completely ignores the

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[1] The Opinion is reported at 916 F.2d 76 (2d Cir. 1990).

balance of the Opinion wherein the Second Circuit clearly and unequivocally adheres to the "likelihood of confusion" test.

In challenging the Second Circuit Opinion, Wallace never acknowledges the inherent weakness of its mark and, therefore, the limited protection to which it is entitled. The Second Circuit, in accordance with well settled principles of law, simply held that where a mark is weak because it is comprised of generic design elements common in the marketplace, it is entitled to protection only from identical or virtually identical designs.

Clearly, there is no substantial need to grant the petition.

Background

Wallace is a manufacturer of sterling silver and silver-plate products. (3a)[2] Wallace manufactures, inter alia, baroque style sterling silver and silver-plate flatware patterns denominated "Grand Baroque". Respondent Godinger Silver Art Co., Ltd. (herein "Godinger") is also a manufacturer of silver-plate products. Godinger manufactures, inter alia, baroque style silver-plate serving pieces.

Although the "Grand Baroque" pattern was first distributed by Wallace in 1941, (3a) Wallace made no attempt to copyright the pattern and did not file an application for trademark

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[2] References denominated "(____ a)" are to the Appendix to the Petition for Writ of Certiorari.

registration for the pattern until February, 1990.[3] (A 87)[4] According to the official file, Wallace's application to register the "Grand Baroque" pattern as a trademark is still pending.

While Wallace maintains that its "Grand Baroque" pattern has never changed (A 42), the evidence suggests otherwise. Twelve "Grand Baroque" pieces of silverware were submitted to the District Court. Two of those pieces, a spoon and knife, constituted

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[3] Although the declaration of the application is dated December 11, 1989 (A 19), the United States Patent and Trademark Office (herein "PTO") file indicates that the application was filed on February 1, 1990.

[4] References denominated "(A ____)" are to the Joint Appendix filed upon the appeal in the United States Court of Appeals for the Second Circuit.

Godinger Exhibit "D" (hereinafter "Grand Baroque" Spoon D and "Grand Baroque" Knife D). (A 65) The remaining "Grand Baroque" pieces were submitted to the District Court by Wallace. (A 120)[5]

The "Grand Baroque" pattern of Spoon D contains flowers which have five petals arrayed around a central disk ("daisy"). The outline of the petals and central disk are distinct and easily discernible. The middle curls of the design contain two of the aforementioned daisies. The two

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[5] All of the "Grand Baroque" pieces, albeit in different ways, identify Wallace as the manufacturer. Spoon D bears the words "WALLACE STERLING" in the back of the spoon handle. Knife D has the words "WALLACE STERLING HANDLE STAINLESS BLADE" etched on one side of the knife blade. The remaining serving pieces contain the Wallace logo, a fanciful W.

daisies are arranged vertically within the curl, one on top of the other. There are six "cut-outs" (holes through the pattern) in the Spoon D pattern, three on either side of the handle. On the front of Spoon D each curl is outlined by a single line of beads while the back of Spoon D has a single line of beads only around the middle curls. Also, the pattern on the back does not extend down onto the spoon handle as it does on the front.

The "Grand Baroque" pattern of Knife D is different than the pattern of Spoon D. The flower on Knife D does not have five discernible petals, but instead looks like a raised silver circle with circular swirling petal outlines etched therein ("modern rose"). There are no cut-outs in the Knife D design. The middle curls

contain two daisy flowers vertically aligned. The pattern on the front and the back of Knife D is the same.

Wallace also manufactures a "Grand Baroque" silverware pattern containing daffodils together with flowers that have six petals arrayed around a central disk (A55, Cold Meat Fork, No. 2). That makes three pattern variations offered by Wallace under the "Grand Baroque" name. The trademark application filed by Wallace on February 1, 1990 is for the pattern on Spoon D (daisy). (A 20)

As the Opinion recognizes (3a), both Godinger's baroque pattern and Wallace's "Grand Baroque" pattern contain the usual baroque elements i.e., flowery roots, scrolls, curls and flowers. Moreover, and as the Opinion

also recognizes (3a-4a), differences between the two patterns are readily apparent. See A 117 where the "Grand Baroque" pie server and the Godinger cake server are displayed side by side. The overall shape of the "Grand Baroque" pattern is wide at the top where the first two curls are and tapers down until the pattern ends on the stem of the pie server. By contrast, the Godinger pattern is not tapered, but maintains its width throughout creating a bulkier presentation. Also, the ornamentation at the top center (the "root") is very short on the "Grand Baroque" pattern while the Godinger root is much longer resulting in a long flat shiny area of silver-plate. The top curls are also different - the Wallace curls are small and rounded, while the Godinger curls are longer and have an elongated oval

shape. The Godinger pattern extends further down the handle than does the "Grand Baroque" pattern and the flowers at the center of the pattern are different than those on the Wallace pie server.

Although Wallace has commenced this action against Godinger, it has not taken any action against other silverware manufacturers who for many years have been selling baroque patterns which are also substantially similar to Wallace's "Grand Baroque" pattern. Compare, for example, Oneida's Michelangelo and DaVinci patterns (A 69, 70), Gorham's LaScala pattern (A 71), Reed & Barton's El Greco and Spanish Baroque patterns (A 72), Towle's El Grandee design (A 83) and

the Camusso pattern[6] (A 121) with Wallace's "Grand Baroque" design. (16a)

Likelihood of Confusion

Wallace alleges that it first became aware of Godinger's baroque pattern on April 23, 1990 when it was advised by George Fina, a retailer of Wallace silverware, that he saw Godinger's advertisement in the April 23, 1990 issue of Home Furnishings Daily, a trade magazine. (A 44) Mr. Fina was not confused as to the source of Godinger's pattern as he referred to Godinger by name during his conversation with Mr. Florence. (A 59) Indeed, the Godinger name appears

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[6] Although the Camusso pattern is substantially identical to the "Grand Baroque" pattern, Wallace's counsel asserts that the two patterns are not similar. (A 113)

numerous times in the advertisement in question (A 57). Moreover, as displayed and sold in retail stores, Godinger's baroque style serving pieces are in boxes (A 67), each of which prominently displays the "Godinger Silver" name.

Plainly, neither the trade nor the consumer will confuse Godinger's pieces with Wallace. The pieces are different in appearance. (3a-4a) The Godinger advertisement and the boxes in which Godinger's serving pieces are sold (A 67) prominently display the Godinger name. An individual purchasing Godinger's serving pieces cannot possibly believe that he/she is purchasing Wallace's "Grand Baroque". Moreover Wallace's name and/or logo is imprinted on its silverware, thereby further obviating confusion. The price

differential alone makes it all but impossible for the trade or the consumer to confuse Godinger's pieces with Wallace's "Grand Baroque". (A 9, 102)

Wallace's Application to the District Court

On April 25, 1990 at approximately 5:00 p.m., Wallace served Godinger with a summons and complaint together with an order to show cause for a temporary restraining order, preliminary injunction and expedited discovery. The order to show cause was returnable the next day at 9:00 a.m.

As set forth in Wallace's complaint, its objections to Godinger's activities are twofold. First, Wallace objects to Godinger's use of the phrase "20th Century Baroque" in marketing

Godinger's serving pieces as an infringement of Wallace's "Grand Baroque" trademark. Not surprisingly, Wallace did not press this argument to the District Court, as evidence presented by Godinger disclosed a Reed & Barton baroque silverware pattern named "Spanish Baroque" and a Gorham baroque silverware pattern named "Crown Baroque".[7] (A 72, 78)

Secondly, Wallace's complaint alleges that Godinger's pattern is likely to be confused with Wallace's "Grand Baroque" pattern and, therefore, that Godinger's sale of its baroque

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[7] Wallace has taken no action against Reed & Barton, Gorham or any other silver manufacturer using the word "baroque" in a multiple word mark for a baroque pattern. As Wallace apparently now concedes, the term baroque is generic as applied to baroque silverware patterns and, accordingly, Wallace has no exclusive right to that term.

style pieces constitutes trademark infringement, a false designation of origin and unfair competition.

In support of its application, Wallace submitted the affidavit of its president, Leonard Florence, (herein "Florence Affidavit"), which acknowledges the absence of a copyright or design patent for the "Grand Baroque" patterns. Otherwise, the Florence Affidavit includes conclusory allegations regarding the sales, promotion and advertising of the "Grand Baroque" pattern, some of which the District Court found to be at variance with the facts. For example, in paragraph 4 of the Florence Affidavit, Mr. Florence states that, "no other pattern available even remotely simulates its fine design" (referring to the "Grand Baroque" pattern). Yet,

with only a few hours notice, Godinger provided the District Court with samples and/or catalogs depicting several third party baroque silverware patterns that the District Court found to be substantially similar to the "Grand Baroque" pattern. (A 124) (16a)

In support of its application Wallace also submitted the affidavit of George Fina (herein "Fina Affidavit"), a retailer of silverware including Wallace's silverware. However, it is clear from the Fina Affidavit that Mr. Fina was not, for a moment, confused as to the source of Godinger's serving pieces. At all times he knew that Godinger was the source.

The argument of Wallace's application for a temporary restraining order, preliminary injunction and

expedited discovery was scheduled for and held on April 26, 1990 at 9:00 a.m. before Judge Charles S. Haight, Jr. Upon the hearing it was established that Wallace did not own a copyright, patent or trademark registration for the "Grand Baroque" pattern. Nevertheless, Wallace's counsel argued that the pattern should be protected by Lanham Act Section 43(a) and that Godinger should be enjoined from selling its competitive baroque style serving pieces. In opposition to Wallace's application, Godinger argued that Wallace was not entitled to a temporary restraining order or preliminary injunction as it could not show a likelihood of success on the merits because the "Grand Baroque" pattern is in the public domain, is a functional design, does not function as an indicia of source, has not attained

a secondary meaning and is not likely to be confused with Godinger's baroque style serving pieces.

Prior to the hearing, Godinger submitted to the District Court exhibits, including Exhibits "G" and "I", comprising several advertisements and depictions showing third party baroque silverware patterns including Oneida (Michelangelo, DaVinci), Gorham (LaScala), Reed & Barton (Spanish Baroque) and Lunt (Eloquence).

Although Wallace's counsel contended to the District Court that Godinger's baroque style serving pieces violated Wallace's alleged rights in its "Grand Baroque" pattern, he nevertheless maintained that third party baroque silverware patterns which also looked like Wallace's "Grand Baroque" pattern

did not violate Wallace's rights. For example, regarding the baroque "El Greco" pattern of Reed & Barton (A 72):

The Court: How do you factor into your calculus, your understanding of the legal principles, the El Greco design which appears in Defendant's Exhibit 6?

Ms. Cohen: From what company on top? (Wallace Counsel)

The Court: It's Reed & Barton, it says on top, and the design is El Greco. It's a xerox of a photograph and it's not all that clear. But I must say, when I look at Reed & Barton's El Greco it, as far as I can tell, seems very, very close to the plaintiff's baroque design. I mean, some of the points of difference that exist between the plaintiff's and the defendant's do not exist with respect to El Greco in the center of the design, and I am not going to use the right technical words, I am sure, but there is an elaborate part of the design that extends down from the top of the piece down the middle of the handle and it doesn't reach as far towards the

blade, one is speaking of the knife, as do the more elaborate parts of the design on either side of the handle. Now, defendant's design, the center part goes as far as the designs on the side of the handle do. That's not true of the plaintiff's, but it is true of El Greco. And when I look at El Greco it looks a great deal like the plaintiff's. Would you contend, Mr. Galway, that Reed & Barton's El Greco violates legal rights of your client?

Mr. Galway: I wouldn't, your Honor. (Wallace Counsel)

The Court: Why not?

Mr. Galway: And I would respectfully disagree that they are substantially similar. I think that in a baroque design you're going to have certain repetitions of scrolls, you're going to have certain configurations of flowers, leaves, roots, and to that extent, you're going to have that type of similarity. . . .(Emphasis Added) (A 108-109)

And thereafter, when confronted with the third party Camusso pattern (A 121):

Mr. Galway: We don't think the designs are similar, in any event. (Emphasis Added) (A 113)

Judge Haight, in his decision denying Wallace's application, found that several third party baroque silverware patterns were substantially similar to Wallace's Grand Baroque pattern:

> In addition, both plaintiff's and defendant's products are substantially similar to the products of other non-party manufacturers of silverware. See defendant's Exhibit G. Oneida sells a "Michelangelo" line of silverware that resembles the parties' "Baroque" style. Lunt sells an "Eloquence" line, and Reed & Barton an "El Greco" line, that resembles the silverware at issue in this case. (16a)

In his opinion, Judge Haight concluded that Wallace's "Grand

Baroque" pattern served an aesthetic function:

> "In the case at bar, the 'Baroque' curls and flowers are not 'arbitrary embellishments' adopted to identify plaintiff's product. Instead, all the 'Baroque' style silverware use essentially the same scrolls and flowers as a way to compete in the free market. The 'Baroque' style is a line of silverware which many manufacturers produce. Just like the patterns on the chinaware in Pagliero, the 'Grand Baroque' design is a functional feature of 'Baroque' style silverware." (A 128-129)

Accordingly, Judge Haight denied Wallace's application in its entirety.

The Second Circuit Decision

The Second Circuit affirmed the District Court after stating the applicable legal principles and applying them to the facts of the case. Initially, the Second Circuit acknowledged applicability of the

"likelihood of confusion" test and the defense of functionality.

> "In order to maintain an action for trade dress infringement under Section 43(a) of the Lanham Act, the plaintiff must show that its trade dress has acquired secondary meaning - that is, the trade dress identifies the source of the product - and that there is a likelihood of confusion between the original trade dress and the trade dress of the allegedly infringing product. Le Sportsac, Inc. v. K Mart Corp., 754 F.2d 71, 75 (2d Cir. 1985). Even if the plaintiff establishes these elements, the defendant may still avoid liability on a variety of grounds, including the so-called functionality doctrine." (8a)

The Second Circuit went on to affirm the District Court, holding that Judge Haight's finding that there is a substantial market for baroque silverware and that effective competition in that market requires "use [of] essentially the same scrolls and flowers" as is found on Wallace's

pattern was not clearly erroneous. (10a-11a)

The Second Circuit noted that there is no distinction between claims to exclude others from using basic elements of a decorative style and claims to generic names, basic colors or designs important to a product's utility, and adopted the Restatement's view that:

> . . .where an ornamental feature is claimed as a trademark and trademark protection would significantly hinder competition by limiting the range of adequate alternative designs, the aesthetic functionality doctrine denies such protection. (13a)

The Second Circuit further stated the similarity in the designs in issue is a result of the inclusion in both designs of elements necessary to complete in the market for baroque silverware. In dicta the Second

Circuit also noted that if Wallace could show secondary meaning in its baroque pattern, competitors might be excluded from utilizing an identical or virtually identical design, but that no such identity or virtual identity was present here.

ARGUMENT

I. THE DOCTRINE OF AESTHETIC FUNCTIONALITY IS NOT INCONSISTENT WITH INWOOD LABORATORIES INC. V. IVES LABORATORIES, 456 U.S. 844 (1982)

Wallace contends that the Second Circuit's Opinion is contrary to this Court's position on functionality as set forth in Inwood Laboratories, Inc. v. Ives Laboratories, Inc., 456 U.S. 844 (1982). There is no merit to Wallace's contention. This Court's discussion of functionality in Inwood was brief and incidental as the functionality defense was not addressed on the merits by the Court.[8] Indeed, the sole reference to functionality is in footnote 10 of the opinion of the

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[8] Inwood's claims under §43(a) of the Lanham Act and the District Court's decision thereon were remanded to the Court of Appeals for review.

Court (O'Connor, J.) wherein it is noted:

> In general terms, a product feature is functional if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.
> Inwood, 456 U.S. 851 (1982).

Here, and as the Second Circuit Opinion notes (12a), the product features which Wallace attempts to protect are essential to the purpose of the product, to wit: to compete in the baroque silverware market. Accordingly, the product features of Wallace's baroque silverware pattern are functional. The Second Circuit Opinion holding that the product features of Wallace's baroque silverware pattern are necessary to compete in the market for baroque silverware and hence are functional is not inconsistent with Inwood.

Although Wallace decries the application of the doctrine of functionality to its baroque silverware pattern, such application is proper. It is essential for Godinger's baroque silverware pattern to contain the same baroque design elements, i.e., the flowers and curls, as are contained on Wallace's baroque silverware pattern in order to compete in the market for baroque silverware. Indeed, all other baroque silverware patterns contain these design elements.

Contrary to Wallace's assertion that the Second Circuit Opinion will lessen competition, in fact, the Second Circuit Opinion fosters increased competition. Presently, other large silver houses such as Towle, Lunt, Oneida, Gorham and Reed & Barton market

baroque silverware patterns that are substantially similar to Wallace's baroque silverware pattern. Yet Wallace has not commenced actions against any of those silverware manufacturers. By commencing this action against Godinger and pursuing it to this Court, Wallace speaks volumes about its intent to eliminate competition from those who are not among the established large silverware manufacturers.

The Second Circuit was correct when it stated that there is, ". . .no distinction between a claim to exclude all others from use on silverware of basic elements of a decorative style and claims to generic names, basic colors or designs important to a product's utility". (13a) Here, the grant of trademark protection to the

design of Wallace's baroque silverware pattern would significantly hinder competition by limiting the range of adequate alternative designs and, therefore, protection is properly denied by the doctrine of functionality. See Third Restatement of the Law, Unfair Competition, Ch. 3, §17(c) at 213-214 and examples given therein.

II. THE SECOND CIRCUIT DID NOT ADOPT A NEW TEST FOR DETERMINING TRADE DRESS INFRINGEMENT

Pointing to the appearance of the phrase "identical or virtually identical" in the Second Circuit Opinion, Wallace asserts that the Second Circuit has abandoned the "likelihood of confusion" test in favor of a new test for trade dress infringement allegedly requiring

identity or virtual identity. Nonsense. The Second Circuit Opinion specifically enunciates and follows the "likelihood of confusion" test. (7a) In any event, under any scenario the doctrine of functionality is a defense to an allegation of trademark infringement.

The words "identical" and "virtually identical" are found only in dicta in the final paragraph of the Second Circuit Opinion:

> Of, course, if Wallace were able to show secondary meaning in a precise expression of baroque style, competitors might be excluded from using an identical or virtually identical design. In such a case, numerous alternative baroque designs would still be available to competitors. Although the Godinger design at issue here was found by Judge Haight to be "substantially similar" it is not identical or virtually identical, and the similarity involves design elements necessary to compete in the market for baroque

> silverware. Because according trademark protection to those elements would significantly hinder competitors by limiting the range of adequate alternative designs, we agree with Judge Haight's denial of the preliminary injunction. (Emphasis Added) (14a)

The Second Circuit specifically found that the similarity between the Godinger and Wallace designs is due to the use of public domain design elements which, by definition, are a part of any baroque silverware pattern. Indeed, this is the reason that the Lunt, Towle, Oneida, Gorham, Reed & Barton and Camusso baroque silverware patterns are also similar to the Wallace patterns. Taken in context, the reference to "identical or virtually identical" designs in the Second Circuit Opinion merely delineates between a potentially infringing copy and one whose

similarity results from the use of public domain design elements necessary to compete in the baroque silverware market. In other words, the Second Circuit was merely recognizing that where a mark is weak because it is comprised of generic elements, it is only entitled to protection from identical or virtually identical designs - a principle applied to word marks in countless decisions. See, e.g., Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4 (2d Cir. 1976). Clearly, the Second Circuit did not create a new test for determining infringement.

CONCLUSION

The petition for writ of certiorari should be denied.

Date: March 27, 1991

Respectfully submitted,

SCHECHTER, BRUCKER & PAVANE, P.C.
Attorneys for Respondent

\s\Martin Pavane
Martin Pavane*
Deirdre A. Nicolle
350 Fifth Avenue, Suite 4510
New York, New York 10118
(212) 244-6600

* Counsel of Record